

DBRP or DCRP

New PERS members must make a retirement plan choice.

New PERS members have a retirement plan choice. You may choose between the following two retirement plans:

■ **DBRP** **Defined Benefit Retirement Plan**

A defined benefit retirement plan guarantees a specified retirement benefit when you retire. The amount of the benefit payment is calculated with a formula using your highest average compensation and your years of service credit. Your monthly benefit will be paid to you for your lifetime. When eligible, your monthly benefit will be increased each year by a Guaranteed Annual Benefit Adjustment.

■ **DCRP** **Defined Contribution Retirement Plan**

In a defined contribution retirement plan, the contributions into the plan are known; the benefit is not. A defined contribution retirement plan establishes individual member accounts and offers a variety of investment options. Members direct contributions in their account to investment options selected from those offered by the plan. The retirement benefit received is based on the account balance. The account balance equals the contributions plus investment earnings, less administrative expenses.

Making your PERS retirement plan choice.

The Retirement Plan Choice - Irrevocable Election form is in the education materials that will be mailed to you. You must complete this form by choosing either the DBRP or the DCRP. You must file your retirement plan election form with the MPERA within twelve months from your date of hire.

Your choice is irrevocable. Once MPERA receives your election, you may not change it unless you terminate plan membership for at least 24 months. Termination of plan membership occurs when you terminate your PERS-covered position and withdraw your money from your retirement plan.

Following your PERS retirement plan choice election.

After you file your retirement plan election with the MPERA, you will receive:

- (1) a confirmation of your retirement plan choice; and
- (2) information specific to the retirement plan you choose.

This is an official publication of the Montana Public Employee Retirement Administration (MPERA). If you have questions, please contact us at:



MPERA
PO Box 200131
Helena MT 59620-0131
Phone: 406-444-3154
Toll free: 877-275-7372
E-mail: mpera@state.mt.us
Fax: 406-444-5428

Web site: www.discoveringmontana.com/doa/perb/

Montana Public Employee
Retirement Administration (MPERA)
PO Box 200131
Helena MT 59620-0131

WELCOME TO THE **PUBLIC EMPLOYEES'** **RETIREMENT SYSTEM** **(PERS)**



Montana Public Employees' Retirement Board

September 2004

Public Employees' Retirement System (PERS)

Generally, Montana public employees of the state, university system, local governments, and certain employees of school districts are covered by the Public Employees' Retirement System (PERS). The PERS is one of eight retirement systems administered by the Public Employees' Retirement Board and its staff, the Montana Public Employee Retirement Administration (MPERA). Contributions to the PERS will be withheld from your gross pay beginning with the first pay period you are reported to the MPERA. The PERS offers two distinct retirement plans. New PERS members have twelve months from their date of hire to choose between the two plans. This brochure provides information for new members who must make a retirement plan choice.

Are you a new member of the PERS?

The following statements will help you recognize if you are a new member of the PERS. Contact the MPERA if you are unsure of your membership status.



YES I am a new member.

If any of the following statements apply to you, then you are considered a **new member** to the PERS. You have a retirement plan choice.

- I have never been a PERS member and have never contributed to the PERS.
- I have been an inactive member since June 30, 2002 and have not been employed in a PERS-covered position since. I am returning to work in a PERS-covered position and have not made a PERS retirement plan choice.
- I was a member of PERS and made a retirement plan choice. However, I withdrew my accumulated contributions at least 24 months ago.



NO I am not a new member.

If any of the following statements apply to you, then you are **not a new member** to the PERS. You will not have a retirement plan choice. You will remain in your current retirement plan.

- I am a member of the PERS and previously made a retirement plan choice. I left my contributions in my PERS account when I terminated PERS-covered employment.
- I was a member of the PERS, made my retirement plan choice, and withdrew my accumulated contributions less than 24 months ago.
- I am a retired member working in a PERS-covered position. (Retired members do not have a retirement plan choice.)

Choosing the right PERS retirement plan.

If you are a new PERS member, the MPERA will send you education materials explaining the retirement plans and the choice you must make. The following materials will be sent to your personal mailing address after your employer reports you to the MPERA.

- Information for Choosing Your Retirement Plan
- Details on the DBRP
- Details on the DCRP

In addition to providing education materials, the MPERA conducts retirement plan choice workshops throughout the state.

Understanding the retirement plan choice education materials and information.

Read the written materials carefully.

They provide details on both retirement plans and answer questions about your PERS retirement plan choice.

Attend a PERS retirement plan choice workshop.

You will be able to ask questions and learn retirement plan specifics and relevant decision-making factors. Workshop schedules are available by calling the MPERA or checking the MPERA web site.

Should any information in this publication conflict with statute or rules, the statute or rules will apply.

3,500 copies of this public document were published at an estimated cost of .15 cents per copy, for a total cost of \$525 for printing and \$00 for distribution.